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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF WYOMING**

In re:)	
)	Case No.: 16-20326
POWELL VALLEY HEALTH CARE,)	Chapter 11
INC.,)	
Debtor.)	

**DEBTOR'S POSITION STATEMENT REGARDING REMOVAL OF CLAIMS
BY HEALTH TECH MANAGEMENT SERVICES, INC.**

Undersigned counsel for Powell Valley Health Care, Inc. ("PVHC" or the "Debtor"), hereby files this Position Statement Regarding the Removal of Claims by Health Tech Management Services, Inc. ("Healthtech"), and would show the Court as follows:

FACTUAL BACKGROUND

1. On May 16, 2016 (the "Petition Date"), PVHC commenced this case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Wyoming (the "Bankruptcy Court").

2. PVHC has continued in the possession of its property and has continued to operate and manage its business as a debtor-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. PVHC has an Agreement for Management Services with Healthtech, under which Healthtech was responsible for selecting and employing the chief executive officer of PVHC. William D. Patten was the chief executive officer of PVHC from 2012 to 2015, and he was selected by Healthtech for this position.

4. From 2006 to 2014, Dr. Jeffery Hansen was an orthopedic surgeon employed by PVHC.

5. Prior to the Petition Date, twenty civil lawsuits were pending against PVHC stemming from a series of procedures performed at PVHC by Dr. Hansen (who is no longer employed by PVHC) (collectively the twenty civil lawsuits will be referred to herein as the “Lawsuits”). The defendants in the Lawsuits include PVHC, Dr. Hansen, Healthtech, the Powell Hospital District (the “District”) and Mr. Patten (collectively, the “Defendants”). In each of the Lawsuits, the plaintiffs allege damages caused by Dr. Hansen’s alleged malpractice, with associated claims for vicarious liability against PVHC, along with claims for negligent hiring and supervision/negligent training and supervision against PVHC, the District, Mr. Patten and Healthtech. The Lawsuits seek to recover from the Defendants over \$70 million in alleged damages suffered by the plaintiffs.

6. PVHC voluntarily filed its Petition with the objective of resolving the Lawsuits in a fair, reasonable, and efficient manner while ensuring its long-term stability for the benefit of the community it serves.

7. On May 24, 2016, PVHC filed its Motion to Enforce Scope of Automatic Stay, or in the Alternative, Motion to Extend Automatic Stay (Docket No. 60) in which PVHC requested that this Court determine that all claims asserted within the Lawsuits were either subject or should be subject to the automatic stay (the “Stay Extension Motion”).

8. On August 5, 2016, PVHC filed its Motion for an Order Extending the Period Within Which the Parties May Remove Actions (Docket No. 224), in which PVHC sought an extension of time by which the Lawsuits could be removed pursuant to Fed.R.Bankr.P. 9027(a)(2)(A).

9. On August 12, 2016, Healthtech and Mr. Patten removed all *claims* asserted against them in the Lawsuits to this Court as separate adversary proceedings. In other words, Healthtech and Mr. Patten did not remove the Lawsuits in their entirety; the claims in the Lawsuits against PVHC, Dr. Hansen, and the District remain at the state court level.

10. On August 17, 2016, this Court held a preliminary non-evidentiary hearing on the Stay Extension Motion. At that hearing, the Court stated that it could only extend the automatic stay through an adversary proceeding.

11. On August 25, 2016, the Court entered its Order Granting PVHC’s Motion Extending the Period Within Which the Parties May Remove Actions (Docket No. 258).

12. On August 26, 2016, the Official Committee of Unsecured Creditors filed its Comment to Notices of Removal and Request for a Status Conference (Docket No. 264).

13. On August 30, 2016, PVHC filed its Adversary Complaint for Declaratory Judgment and for Injunctive Relief (Docket No. 272; Adversary Proceeding 16-2033). Adversary Proceeding 16-2033 requests identical relief as the Stay Extension Motion.

STATEMENT OF POSITION ON HEALTHTECH'S REMOVED ACTIONS

14. The Debtor is not a party to the Removed Actions; accordingly, the Debtor does not have any position regarding Healthtech's and Mr. Patten's removal of the claims asserted against them in the Lawsuits.

15. However, the Debtor would emphasize that regardless of whether the claims against Healthtech and Mr. Patten remain before this Court or are remanded/transferred to another court, the relief requested in the Debtor's Stay Extension Motion, as incorporated and superseded by Adversary Proceeding 16-2033, applies to these claims.

Dated: Cheyenne, Wyoming

September 26, 2016

MARKUS WILLIAMS YOUNG AND
ZIMMERMANN LLC

By: /s/ Jennifer Salisbury
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served this 26th day of September, 2016, by placing a copy in the U.S. mail, first class postage prepaid, upon those listed on the attached limited mailing list.

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/s/ Jessica Anderson

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